

Agenda Date: March 12, 2009  
Item Number: A2

**Docket:** UW-090124  
Company Name: Summit View Water Works

Staff: Amy White, Regulatory Analyst  
Dennis Shutler, Consumer Protection Staff

### **Recommendation**

Take no action on this filing at this time to allow for customer comments.

### **Discussion**

On January 21, 2009, Summit View Water Works (Summit View or company) filed with the Utilities and Transportation Commission (commission) tariff revisions that would generate \$4,223.25 (27.8 percent) in additional annual revenue. The company requests to change its billing methodology for irrigation charges to reflect the size of the property served. The company currently serves 38 customers near Kennewick in Benton County and plans to ultimately serve 111 customers at the completion of the development.

The company has proposed the changes in order to more equitably serve current and future customers in the Summit View development, where lot sizes range from approximately half an acre to lots which are just over six acres in size. Customers currently pay the same flat rate annually. All but one customer will see a rate increase as a result of this filing. The company first became regulated March 1, 2006, and, except for proposed changes to ancillary charges filed in Docket UW-090125, this is the first rate change filed by the company.

Today's presentation allows customers or other parties to make comments to the commission concerning the company's proposed rates. No action is required by the commission. Staff will make its recommendation to the commission at the open meeting scheduled for March 26, 2009.

### **Customer Comments**

On February 1, 2009, the company notified customers of the proposed changes by mail. Two customer comments have been received.

Consumer Protection staff advised customers that they may access company documents pertinent to this rate case at [utc.wa.gov](http://utc.wa.gov) and [utc.wa.gov/water](http://utc.wa.gov/water), and that they may contact Dennis Shutler toll-free at 1-888-333-9882 with questions or concerns.

### **General Comments**

- One customer believes the amount of the increase is unacceptable and unaffordable, mentioning high rates, the current economic conditions, and no alternative to other water service providers as the basis for their opposition. One customer gave no reason for

opposing the increase.

### **Staff Response**

Customers were advised that state law requires rates to be fair and reasonable for customers, but sufficient to allow the company the opportunity to recover operating expenses and earn a return on investment.

### **Rate Comparison**

<b>Monthly Rate</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Irrigation Service, each connection or customer: Annually Or Monthly	\$400 \$34.00 (\$408 total)	N/A N/A
Single-Outlet Irrigation Base Rate	N/A	\$250.00
Irrigated Rate Per Developed Acre, In Addition To Base Rate	N/A	\$300.00
Irrigated Rate Per Undeveloped Acre, In Addition To Base Rate	N/A	\$100.00

### **Average Bill Comparison**

<b>Customer Lot Size</b>	<b>Customer Count</b>	<b>Current Rate</b>	<b>Proposed Base Rate</b>	<b>Proposed Acreage Rate</b>	<b>Total Annual Cost</b>	<b>Percent Change</b>
Under One Acre	34	\$400.00	\$250.00	\$169.65	\$419.65	4.91%
One to Five Acres	2	\$400.00	\$250.00	\$565.55	\$815.55	103.9%
Over Five Acres	2	\$400.00	\$250.00	\$1,512.00	\$1,762.00	340.5%

Commission staff has not yet completed its review of the company's supporting financial documents, books and records.

### **Conclusion**

Take no action on this filing at this time to allow for customer comments.